

BOARD OF DIRECTORS :

Shri R. L. Nolkha	<i>Chairman & Managing Director</i>
Shri Dinesh Nolkha	<i>Managing Director</i>
Shri Bhagwan Ram	
Shri Y. R. Shah	
Shri Nitin Nolkha	<i>Executive Director</i>
Shri (Dr.) S. S. Banerjee	<i>Nominee Director</i>

Bankers

Oriental Bank of Commerce
Punjab National Bank
Indian Overseas Bank
State Bank of India

Auditors

M/s. R. S. Dani & Co.
Chartered Accountants
Bhilwara

Company Secretary & DGM (Legal)

Shri Sudhir Garg

Key Executives

1. Sh. P. Maheshwari, Vice President (Finance)
2. Sh. Sandeep Kumar, Vice President (Technical)
3. Sh. K. L. Pareek, G.M. (P&A)
4. Sh. Ratnesh Kumar, G.M. (Rotor Spinning)
5. Sh. Tarun Sahu, G.M. (Engg.)

Registered Office & Works

16-17 Km. Stone,
Chittor Road, Hamirgarh
Bhilwara - 311 025 (Rajasthan)

CONTENTS	
Notice	2-5
Directors' Report	6-8
Management Discussions & Analysis	9-10
Corporate Governance Report	11-18
Auditors' Report	19-21
Balance Sheet	22
Profit & Loss Account	23
Schedule to Balance Sheet and Profit & Loss Account	24-37
Cash Flow Statement	38



NITIN

NOTICE

NOTICE is hereby given that the 18th Annual General Meeting of the Shareholders of NITIN SPINNERS LIMITED will be held at the Registered Office of the Company at 16-17 KM. Stone, Chittor Road, Hamirgarh, Bhilwara-311 025 (Rajasthan) on Saturday, the 25th September, 2010 at 3.00 P.M. to transact the following business:-

ORDINARY BUSINESS:-

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2010, Profit & Loss Account for the year ended on that date and the Directors' and Auditors' Report thereon.
2. To appoint a Director in place of Shri Dinesh Nolkha, who retires from office by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Nitin Nolkha, who retires from office by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration

SPECIAL BUSINESS :-

5. **To consider and if thought fit, to pass with or without modification(s) following resolution as an Ordinary Resolution :-**

"RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310 and 311 read with schedule XIII & all other applicable provisions of the Companies Act, 1956 and subject to the approval of Central Government, if required Shri Dinesh Nolkha, Managing Director of the Company whose tenure of appointment is expiring on 31st December, 2010 be and is hereby re-appointed as Managing Director of the Company for a further period of five years commencing from 1st October, 2010 to 30th September, 2015 on following terms & conditions:-

I. Basic Salary : Rs. 125000/- (Rs. One Lacs Twenty Five Thousand) per month with an annual increase of Rs 25000/- (Rs. Twenty Five Thousand) in the month of October every year.

II. Commission:

In addition to Basic Salary, Perquisites and any other benefits, he shall be allowed commission not exceeding 1% of the net profit of the

company in a financial year as computed under section 198 of the Companies Act, 1956 subject to necessary approvals as may be required.

III. Perquisites:

In addition to the above basic salary and commission, Shri Dinesh Nolkha shall be entitled for the following perquisites and allowances:-

The perquisites are classified into following three categories A, B and C :-

CATEGORY "A"

1. **Housing I:** The appointee shall be provided with free furnished residential accommodation with free Gas, Electricity and Water. The expenditure incurred by the company on hiring unfurnished accommodation for him shall be subject to a ceiling of 60% of the salary over and above 10% payable by him.

Housing II: In case the Company owns the accommodation, the company shall deduct 10% of the salary

Housing III: In case the company provides no accommodation; house rent allowance as per rules of the Company shall be paid.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Act, 1962.

2. **Medical Reimbursement:**

For self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

3. **Leave Travel Concession:-**

For self and family once in a year incurred in accordance with the rules prescribed by the Company.

4. **Club Fees:**

Fees of clubs subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed.

5. **Personal Accident Insurance:**

Actual premium paid subject to maximum limit of 10000/- in a year.

CATEGORY "B"

1. **Provident Fund:** Company's contribution to provident fund shall be as per the scheme of the Company.

2. **Superannuation/Annuity Funds:**

Company's contribution to superannuation/annuity fund shall be in accordance with the scheme of the company.

The above Contribution to provident fund, superannuation / annuity fund will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

3. **Gratuity:**

As per the rules of our Company, payable in accordance with the approved fund at the rate of half a month salary for each completed year of service.

CATEGORY "C"

1. **Car:**

Facility of car shall be provided for business use of the Company.

2. **Telephone:**

Free telephone facility at residence.

FURTHER RESOLVED that if in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate the appointee shall be entitled to minimum remuneration by way of Basic Salary, Perquisites, allowances not exceeding the limits specified under para 1 (A) of Section II, Part II of Schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED that Shri R.L. Nolkha, Chairman & Managing Director of the Company be and is hereby authorized to file necessary Forms before ROC, Jaipur."

6. **To consider and if thought fit, to pass with or without modification(s) following resolution as an Ordinary Resolution :-**

"RESOLVED THAT pursuant to provisions of section 198, 269, 309, 310 and 311 read with schedule XIII & all other applicable provisions of the Companies Act, 1956 and subject to the approval of Central Government, if required Shri Nitin Nolkha, Executive Director of the Company be and is hereby re-appointed as Executive Director of the Company for a further period of five years commencing from 1st October, 2010 to 30th September, 2015 on following terms & conditions:-

I. Basic Salary : Rs. 100000/- (Rs. One Lacs) per month with an annual increase of Rs 25000/- (Rs. Twenty Five Thousand) in the month of October every year.

II. Commission:

In addition to Basic Salary, Perquisites and any other benefits, he shall be allowed commission not exceeding 1% of the net profit of the company in a financial year as computed under section 198 of the Companies Act, 1956 subject to necessary approvals as may be required.

III. Perquisites:

In addition to the above basic salary and commission, Shri Nitin Nolkha shall be entitled for the following perquisites and allowances:-

The perquisites are classified into following three categories A, B and C :-

CATEGORY "A"

1. **Housing I:** The appointee shall be provided with free furnished residential accommodation with free Gas, Electricity and Water. The expenditure incurred by the company on hiring unfurnished accommodation for him shall be subject to a ceiling of 60% of the salary over and above 10% payable by him.

Housing II: In case the Company owns the accommodation, the company shall deduct 10% of the salary

Housing III: In case the company provides no accommodation; house rent allowance as per rules of the Company shall be paid.

The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per Income Tax Act, 1962.

2. **Medical Reimbursement:**

For self and family subject to a ceiling of one month's salary in a year or three months salary over a period of three years.

3. **Leave Travel Concession:-**

For self and family once in a year incurred in accordance with the rules prescribed by the Company.

4. **Club Fees:**

Fees of clubs subject to the maximum of two clubs will be allowed. Admission and life membership fees shall not be allowed.

5. **Personal Accident Insurance:**

Actual premium paid subject to maximum limit of 10000/- in a year.



NITIN

CATEGORY "B"

1. **Provident Fund:** Company's contribution to provident fund shall be as per the scheme of the Company.
2. **Superannuation/Annuity Funds:**
Company's contribution to superannuation/annuity fund shall be in accordance with the scheme of the company.
The above Contribution to provident fund, superannuation / annuity fund will not be included in computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
3. **Gratuity:**
As per the rules of our Company, payable in accordance with the approved fund at the rate of half a month salary for each completed year of service.

CATEGORY "C"

1. **Car:**
Facility of car shall be provided for business use of the Company.
2. **Telephone:**
Free telephone facility at residence.
FURTHER RESOLVED that if in any financial year during the currency of tenure of the Executive Director, the Company has no profits

or its profits are inadequate the appointee shall be entitled to minimum remuneration by way of Basic Salary, Perquisites, allowances not exceeding the limits specified under para 1 (A) of Section II, Part II of Schedule XIII to the Companies Act, 1956.

FURTHER RESOLVED that Shri R.L. Nolkha, Chairman & Managing Director of the Company be and is hereby authorized to file necessary Forms before ROC, Jaipur."

7. **To consider and if thought fit, to pass with or without modification(s) following resolution as an Ordinary Resolution :-**

"RESOLVED THAT in accordance with applicable provisions of the Companies Act, 1956 and Articles of Association of the Company approval of the Company be and is hereby accorded to increase the sitting fees payable to the Non-Executive Directors of the Company for attending the meetings of the Board and Committee thereof from the existing Rs. 1,000/- to Rs.2,500/- per meeting (excluding the out-of-pocket expenses) with effect from 01.07.2010.

By order of the Board

(Sudhir Garg)

Company Secretary & DGM (Legal)

Place : Bhilwara
Date : 29.07.2010

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must reach to the Registered Office of the Company not less than 48 hours before the time fixed for the meeting
3. The relevant explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of item Nos. 5 to 7 of the Notice set out above, is annexed hereto.
4. The register of Members and Share Transfer Books of the Company shall remain closed from 18th September, 2010 to 25th September, 2010 (both days inclusive)
5. Members who wish to attend the meeting are requested to bring duly filled attendance sheet and their copy of the Annual Report at the Meeting.
6. In case of physical shares, the instrument of Share Transfer complete in all respect should be sent so as to reach to the registered office of the Company or at the office of R & T Agent prior to closure of the Register of Members as stated above.
7. The copies of relevant documents can be inspected at the Registered Office of the Company on any working day till the date of 18th Annual General Meeting from 11.00 A.M. to 1.00 P.M.

By order of the Board

(Sudhir Garg)

Company Secretary & DGM (Legal)

Place: Bhilwara
Date : 29.07.2010

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item Nos. 5

The Shareholders of the Company at their meeting appointed Sh. Dinesh Nolkha, Managing Director for a term of 5 years from 01.01.2006 to 31.12.2010. The remuneration committee at its meeting held on 29.07.2010 recommended re-appointment of Sh. Dinesh. Nolkha, Managing Director for further period of 5 years from 01.10.2010 to 30.09.2015 on the terms and conditions set out in the Resolution.

As per Schedule XIII of the Companies Act, 1956, the payment of remuneration to Managing Director requires Shareholders' approval by way of ordinary resolution. The Board of Directors on the recommendation of Remuneration Committee Meeting considered the matter at its meeting held on 29.07.2010 and recommends the resolution for your approval.

None of the Directors except Sh. Dinesh Nolkha, Sh. R. L. Nolkha, Chairman & Managing Director and Sh. Nitin Nolkha, Executive Director being relatives of Sh. Dinesh Nolkha are interested or concerned in the above resolution.

The resolution alongwith explanatory statement may also be treated as an abstract of the terms of payment of remuneration and Memorandum of Interest of Sh. Dinesh Nolkha, Managing Director as required under section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

Item Nos. 6

The Shareholders of the Company at their meeting appointed Sh. Nitin Nolkha, Executive Director for a term of 5 years from 11.10.2006 to 10.10.2011. The remuneration committee at its meeting held on 29.07.2010 recommended re-appointment of Sh. Nitin Nolkha, Executive Director for further period of 5 years from 01.10.2010 to 30.09.2015 on the terms and conditions set out in the Resolution.

As per Schedule XIII of the Companies Act, 1956,

the payment of remuneration to Executive Director requires Shareholders' approval by way of ordinary resolution. The Board of Directors on the recommendation of Remuneration Committee Meeting considered the matter at its meeting held on 29.07.2010 and recommends the resolution for your approval.

None of the Directors except Sh. Nitin Nolkha, Sh. R. L. Nolkha, Chairman & Managing Director and Sh. Dinesh Nolkha, Managing Director being relatives of Sh. Nitin Nolkha is interested or concerned in the above resolution.

The resolution alongwith explanatory statement may also be treated as an abstract of the terms of payment of remuneration and Memorandum of Interest of Sh. Nitin Nolkha, Executive Director as required under section 302 of the Companies Act, 1956.

Your Directors recommend the resolution for your approval.

Item No. 7

Currently the Non-Executive Directors of the Company are paid Rs.1,000/- as sitting fees for attending the meetings of the Board and Committees of the Board. In view of the time devoted by the Non-Executive Directors for the meetings your Board is of the opinion that the sitting fees needs to be revised from Rs.1,000/- to Rs.2,500/- for attending meetings of the Board and Committee thereof

None of the Directors except Sh. B. Ram, Sh. Y. R. Shah and Sh. S. S. Banerjee being Non Executive Directors are interested or concerned in the resolution.

Your Directors recommend passing of the resolution

By order of the Board

Place : Bhilwara
Date : 29.07.2010

(Sudhir Garg)
Company Secretary & DGM (Legal)

DIRECTORS' REPORT TO THE MEMBERS

The Directors have pleasure in presenting the 18th Annual Report and Accounts for the year ended 31st March, 2010

FINANCIAL RESULTS

The Financial results of the Company's operations for the year under review and those of the previous year are as follows: -

Particulars	Current Year	Previous Year
<i>(Rs. in Lacs)</i>		
Net Sales	30195.49	26226.82
Gross Profit Before Interest, Exceptional item & Depreciation	3465.77	2693.32
Interest & Finance Charges	1500.93	2380.92
Profit before Exceptional items & Depreciation	1964.84	312.40
Exceptional items Depreciation	-	2926.47
Depreciation	1865.11	1691.39
Profit/(Loss) before Taxation	99.73	(4305.46)
Provision for Taxation - Current	-	2.62
- Deferred Tax	32.28	(1560.91)
Net Profit/(Loss) after Tax for the year	67.45	(2747.17)
Adjustments of earlier years	(0.48)	(1335.84)
Net Profit/(Loss)	67.93	(1411.33)
Balance brought forward from previous year	-	1206.65
Amount available for appropriations	67.93	(204.68)
Appropriations:		
Proposed Dividend on Preference Shares	-	1.28
Dividend Tax	-	0.22
Capital Redemption Reserve	-	50.00
Transfer From General Reserve	-	(256.18)
Balance Carried to Balance Sheet	67.93	-

OPERATIONAL REVIEW

The impact of slowdown in economy due to global recession started receding during the current year

and with the improvement of sentiments in global market there was pick up in demand in export as well as domestic market. Your Company registered growth of 15.13% in total turnover from Rs. 262.27 Crores in last year to Rs. 301.95 Crores in the Current year with remarkable growth of 43.43% in Export turnover from Rs. 134.40 Crores in the previous year to Rs. 192.77 Crores during the current year. The operating profit for the current year has grown by 28.68% to Rs. 3465.77 lacs from Rs. 2693.32 lacs in the previous year. The cost of finance came down substantially due to implementation of CDR Scheme and your Company has reported net profit of Rs. 67.93 Lacs during the current year against loss of Rs. 1411.33 lacs during the previous year.

The following ratios reflect your Company's operational performance during the year under review :-

Particulars	Current Year	Previous Year
Sales Growth (%)	15.13	30.18
Export Sales Growth (%)	43.43	(4.14)
PBDIT (% to sales)	11.48	10.27
Earning Per Share (Rs.)	0.15	(6.73)
Cash Earning Per Share (Rs.)	4.29	(6.40)

PREFERENTIAL ISSUE

The Company has raised funds of Rs. 5.00 Crores from allotment of 50,00,000 Equity Shares of Rs. 10/- each, at par, to the Promoters/Promoters' Group on preferential basis after obtaining exemption from open offer under Regulation 11(1) of the SEBI (Substantial Acquisitions of Shares and Takeovers) Regulations, 1997 from the SEBI takeover panel. The Bombay Stock Exchanges Ltd. and National Stock Exchange of India Ltd., where the equity shares of the Company are listed have granted permission for listing and trading of new Equity Shares. The funds of Rs. 5.00 Crores raised through preferential issue have been used for operations of the Company in terms of CDR Scheme approved by the lenders of the Company.

DIRECTORS

Shri S. K. Sharma, Director of the Company resigned from the Board of your Company with effect from 05.10.2009. The Board places on record its sincere appreciation for the valuable contribution made by him during his tenure of directorship. The Board of

Directors decided that the casual vacancy caused by resignation of Shri S. K. Sharma shall not be filled.

Shri Dinesh Nolkha and Shri Nitin Nolkha, Directors of the Company retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Details of the Directors seeking re-appointment are provided in the Corporate Governance Report forming part of this report.

AUDITORS

M/s R. S. Dani & Co., Chartered Accountants retire at the conclusion of the ensuing Annual General Meeting of the Company. The retiring auditors have furnished certificate u/s 224(IB) of the Companies Act, 1956 for their eligibility for re-appointment. Your Directors recommend for their re-appointment.

DIVIDEND

The Board of Directors does not recommend any dividend on equity shares.

FIXED DEPOSITS

Your Company has not accepted or renewed any fixed deposits during the year under review and no fixed deposit is outstanding for payment at the year ended 31st March, 2010.

CORPORATE GOVERNANCE

The Company is committed to maintain the high standards of Corporate Governance. Your Directors adhere to the requirements set out in the listing Agreement with the Stock Exchanges and have implemented all the prescribed requirements. Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, the Report on Corporate Governance and Management Discussions & Analysis have been incorporated in the Annual Report and forms an integral part of the Directors' Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of Annual Accounts, the applicable accounting standards have been followed and wherever required, proper explanation relating to material departures have been given;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial

year and of the profit or loss of the Company for the year ended on that date;

- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, and
- (iv) they have prepared the Annual Accounts on a going concern basis.

HUMAN RESOURCES DEVELOPMENT

Industrial relations continued to be cordial during the period under review. Your Company firmly believes that a dedicated work force constitutes the primary source of sustainable competitive advantage. Accordingly, human resource development received focused attention. Your Directors wish to place on record their appreciation for the dedicated services rendered by the work force during the year under review.

PARTICULARS OF EMPLOYEES

There was no employee drawing remuneration in excess of limits prescribed under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

A Statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed hereto and forms integral part of this Report.

ACKNOWLEDGEMENTS

Directors wish to express their grateful appreciation for assistance and co-operation received from various Departments of Central & State Governments, CDR Cell and Banks during the year under review. Your Directors also wish to place on record their appreciation for the committed services of all the employees of the Company.

For and on Behalf of the Board of Directors

Place : Bhilwara

Date : 08.05.2010

R. L. NOLKHA

Chairman & Managing Director



NITIN

ANNEXURE - I

Information pursuant to Section 217(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2010.

1. **Conservation of Energy** : Energy conservation measures taken - The Company gives high priority for conservation of energy in all fields. The Company has carried out energy audit from independent agency and during the year following measures have been taken for energy saving :-
 - a) Reduction in Auxilliary Power consumption in F.O. Power Plant.
 - b) Reduction in air leakages leading to better efficiency of compressors.
 - c) Automisation of Humidification Plant in Ring Spinning
2. **Total energy consumption and consumption per unit of production as per Form "A"**

S.No.	Particulars	Current Year	Previous Year
Power & Fuel Consumption			
1.	Electricity		
	(a) Purchased	Nil	Nil
	(b) Own Generation		
	(i) Through FO based Generator		
	Units	2,03,58,548	2,08,61,213
	Unit/Per Kg. of FO	3.98	4.32
	Cost/Unit	5.81	4.95
	(ii) Through Coal based TPP		
	Units	6,55,99,647	5,73,91,940
	Unit/Per kg of Coal	0.92	0.79
	Cost/Unit	4.04	4.27
	(iii) Steam for Captive use through WHRB (Kg.)	13,22,170	13,13,992
	Cost / Kg.	Nil	Nil
2. (a)	Furnace Oil		
	Quantity (Kg.)	51,10,061	48,31,426
	Total cost (Rs.)	11,82,33,055	10,33,10,721
	Average Rate/Kg.	23.14	21.38
(c)	COAL		
	Quantity (Kg.)	7,16,46,360	7,22,41,489
	Total cost (Rs.)	26,50,71,158	24,49,26,522
	Average Rate/Kg.	3.70	3.39

Sale of Power to State Government (Units)	1,27,79,500	45,11,608
Consumption of Power for Production (Units)	7,31,78,695	7,37,41,545

Consumption per Kg. of Production		
Yarn Production (MT)	21,785.56	21,899.59
Electricity Unit/Kgs.	3.31	3.31
Steam Consumed/Kgs.	0.06	0.06
Fabric Production (MT)	2,226.43	2,581.05
Electricity Unit/Kgs.	0.50	0.45

A. Technology Absorption

- (1) Specific areas in which R&D carried out by the Company:-
 - (a) Reduction in hairiness, imperfections and unevenness in Ring Spun combed yarn.
 - (b) Elimination of second quality of yarn due to processing and machine faults.
- (2) Future Plan of Action
 - (a) Development of multifold yarn suitable for high tensile strength uses.
 - (b) Elimination of second quality of yarn due to processing and machine faults.
- (3) Expenditure incurred on Research and Development during the year is as follows :

[Rs. In Lacs]

Particulars	Current Year	Previous Year
(a) Capital	-	-
(b) Recurring	24.73	25.62
Total (a+b)	24.73	25.62
% to total turnover	0.08%	0.09%

B. Foreign Exchange Earnings and Outgo

[Rs. In Lacs]

Particulars	Current Year	Previous Year
(a) Earnings	17707.49	12402.08
(b) Outgo - Capital	Nil	Nil
- Recurring		
Stores & Spare parts	378.07	253.44
Raw Material-Cotton	1767.10	1804.20
Others	214.80	220.48

MANAGEMENT DISCUSSIONS & ANALYSIS

INDUSTRY OUTLOOK

The Indian Textiles Industry has an overwhelming presence in the economic life of the country. Apart from providing one of the basic necessities of life, the textiles industry also plays a pivotal role through its contribution to industrial output, employment generation, and the export earnings of the country. Currently, it contributes about 14 percent to industrial production, 4 percent to the GDP, and 17 percent to the country's export earnings. It provides direct employment to over 35 million people. The Textiles sector is the second largest provider of employment after agriculture. Thus, the growth and all round development of this industry have a direct bearing on the improvement of the economy of the nation. The Indian Textile Industry has an estimated size of US\$ 61 billion and it is expected that by 2013 the industry will grow to a size of US\$ 110 billion, of which US\$ 50 billion should be from exports.

The opening of global trade provided an excellent opportunity to the Indian textile industry to occupy a place of prominence in the global trade. The National Textile Policy, 2000 along with regulatory policies of the Central Government helped the industry to modernize and expand its capacities to become global player. The Industry efforts coupled with the Government policies have enabled the Industry to become a sourcing hub for reputed international brands.

However, the unprecedented global recession & economical slowdown in major world markets had adversely affected the performance of Textile Industry in 2008-09. With the help of stimulus packages by the Government of India coupled with improvement in demand from World Market, the Textile Industry has witnessed turnaround in later half of the year 2009-10 by showing positive growth in exports.

On the domestic front India's population of more than 110 Crores, continue to offer an important market for textile industry. Hence, for textile industry in India, the growth potential remains encouraging.

OPPORTUNITIES AND THREATS

The fundamental growth factors of Indian Textile Industry particularly Cotton Textiles in which your

Company operates continue to be strong due to its inherent advantages viz. abundant availability of Raw Material, availability of trained manpower and adopting of world class technology.

The major threat to Indian textile industry is highly fluctuating prices of cotton. The cotton prices, to a large extent, determine the profitability of the cotton spinning units. India ranks first in cotton-cultivated area and second in production among all cotton producing countries in the world, next to China. In 2008-09, Government hiked the Minimum Support Price of cotton by as much as 40% and prices remained firm throughout the year. Cotton prices started to come down in the month of June, 2009 in perception of good cotton crop for the year 2009-10. In spite of cotton production of 292 lakh bales during the year 2009-10, prices of cotton has again started increasing due to demand from export market and higher prices in International Market. The decision of the Government to ban export of cotton has come after registration of contracts for export of 86 lakh bales of cotton, representing 29% of total production of India. The cotton price in India has been reduced by about 3% after the measures.

The Government Policies also plays major role for textile industries. The stimulus packages given during the previous year are being withdrawn gradually. In the Budget, Interest subvention of 2% on pre and post shipment credit was withdrawn and recently exports benefit in terms of DEPB/Drawback on export of cotton yarn has been withdrawn. Further, contract for export of cotton yarn are compulsorily required to be registered. These and other measures as may be taken by the Government may affect profitability of cotton spinning units.

The other threats to the Cotton Textile Industry is appreciation of rupee against the US\$, ever rising cost of coal, crude oil which affect the performance of the Industry.

Your Company is geared up to meet the challenges by giving emphasis on improving quality standards, product innovation & designing, reducing lead-time in supplying orders, competitive pricing of products, exploring new export markets, improving production efficiency and reducing costs.



NITIN

OPERATIONAL REVIEW

Please refer to the paragraph under the heading “Financial Results” and “Operational Review” in the main Directors’ Report.

SEGMENTWISE PERFORMANCE

The Management reviewed the disclosure requirement of Segment wise reporting and is of the view that since the Company’s products are covered under Textile Industry which is single business segment in terms of AS-17 and therefore separate disclosure on reporting by business segment is not required.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has already implemented systems for Internal Control. The systems are improved and modified continuously to meet with changes in business conditions, statutory and accounting requirements.

The Audit Committee of Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them. The Company has strong Management Information System, which is an integral part of control mechanism.

RISK MANAGEMENT

The Company is exposed to risks from market fluctuations of foreign exchange, interest rates and fuel prices.

Foreign Exchange Risk

The Company has considerable exposure in foreign currency as the exports constitutes about 63% of the total turnover and imported Raw Materials constitutes barely 10% of the total consumption. In the market rate determined exchange rate regime volatility in the forex market affects realization of the Company. The Company has well documented foreign exchange risk policy and currency risks are hedged accordingly through forward contracts.

Interest rate risk

The rate of Interest on loans of the Company has been fixed for 2-3 years instead of floating under the CDR scheme approved by the lenders of the Company. Hence, the Company does not perceive any Interest Rate risk in short term.

Commodity Price Risk

The Company is exposed to the risk of price fluctuation on cotton, coal, crude oil as well as finished goods in all its products. These risks are not significant considering the inventory levels and normal co-relation in the price of raw materials and finished goods.

Risk Element in Individual Business

Apart from the risks on account of interest rate, foreign exchange and regulatory change, various business of the Company are exposed to certain operating business risks, which are managed by regular monitoring and corrective actions.

ENVIRONMENT AND SAFETY

The Company is conscious of the need for environmentally clean and safe operations. The Company policy requires the conduct of all operations in such manner so as to ensure safety of all concerned, compliance of statutory and industrial requirements for environment protection and conservation of natural resources to the extent possible.

HUMAN RESOURCE AND INDUSTRIAL RELATIONS

Human resource is the most valuable asset in any organization. The Company focuses on the training and development of its people. The company has taken various initiatives to improve and enhance skill of its people. The industrial relations remained cordial in our plant. The total strength as at the end of the financial year 2009-10 was 1518 employees.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis describing the Company’s objectives, projections, estimates, expectations or predictions may be “forward-looking statements” with the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company’s operations include raw material availability and prices, cyclical demand and pricing in the Company’s principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries in which the Company conducts business and other incidental factors.

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance envisages attainment of high level of transparency, accountability and integrity in all its facets including the conduct of its business, its relationship with its stakeholders, employees, customers, Government and lenders.

2. BOARD OF DIRECTORS

Composition, Category and Attendance at Meetings

The Board of Directors of the Company consists of eminent persons with considerable professional expertise and experience in business and industry, finance, management, legal and marketing. The Board comprises of six Directors and composition of Board of Directors of the Company is in conformity with Clause 49 (1A) of the listing agreement entered into with the stock exchanges. The Company has an

executive Chairman and the number of Independent and Non-Executive Directors are 50% of the total number of Directors. The Non-Executive Directors with their diverse knowledge, experience and expertise bring in their independent judgment in the deliberation and decisions of the Board.

The company held at least one meeting of Board of Directors in every three months and the maximum time gap between any two meetings was not more than four months. During the financial year 2009-10, four meetings of the Board of Directors were held on 09.05.09, 24.07.09, 31.10.09 and 30.01.10.

The 17th Annual General Meeting of the Company was held on 29.09.2009.

The Composition of the Board of Directors, attendance at Board & last Annual General Meeting, number of other Directorship, Committee Membership and Chairmanship are as under:-

Name of Director	Category of Directorship	Board Meetings attended out of 4 Meetings	Attendance at last AGM held on 29.09.09	Directorship in other Public Ltd. Companies	No. of Board Committees in which Chairman/Member (Other than Nitin Spinners Ltd.)	
					Chairman	Members
Sh. R.L. Nolkha	Promoter Executive Director	4	Yes	Nil	Nil	Nil
Sh. Dinesh Nolkha	Promoter Executive Director	4	Yes	Nil	Nil	Nil
Sh. Nitin Nolkha	Promoter Executive Director	4	No	Nil	Nil	Nil
Sh. Bhagwan Ram	Independent Non-Executive Director	4	No	Nil	Nil	Nil
Sh. Y.R. Shah	Independent Non-Executive Director	4	Yes	2	Nil	2
Dr. S. K. Sharma (Ceased to be Director w.e.f. 05.10.2009)	Independent Non-Executive Director	2	No	Nil	Nil	Nil
Dr. S.S. Banerjee	Independent Non-Executive Director	4	No	Nil	Nil	Nil

None of the Directors of the Board serve as Members of more than 10 Committees nor are they Chairman of more than 5 Committees, as per requirements of the Listing Agreement.



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Board Meeting Procedure

The Company's Board Meetings are governed by a structured agenda. The Board Meetings are generally scheduled well in advance and the notice of each board meeting is given in writing to each director. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. The Board papers, comprising the agenda are circulated well in advance before the meeting of the Board.

The information as specified in Annexure I to the Clause 49 of the Listing Agreement executed with the Stock Exchanges, is regularly made available to the Board wherever applicable.

Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, all major decisions involving formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, compliance with statutory / regulatory requirements, major accounting provisions etc. are considered by the Board.

3. AUDIT COMMITTEE

Broad terms of reference

The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956. These broadly include approval of annual Internal Audit Plan, review of financial reporting systems, internal control systems, ensuring compliance with regulatory guidelines, discussions on quarterly, half yearly and annual financial results, interaction with statutory, internal auditors, recommendation for appointment of statutory auditors and their remuneration etc.

Composition

The Audit Committee was constituted on 15th May, 2001 Presently, it comprises Shri Y.R. Shah, Shri B. Ram and Dr. S.S. Banerjee. All the members of the committee are non-executive and independent Directors. Sh. Y.R. Shah, Chairman of the Meeting is having requisite financial and accounting expertise and all other members of the committee are finance literate. The composition of the Audit committee meets the requirements of section 292A of the Companies Act, 1956 and clause 49 of the listing agreement.

Meetings and Attendance

The committee met four times during the financial year 2009-10. The dates on which Audit Committee Meetings were held are 09.05.09, 24.07.09, 31.10.09 and 30.01.10. The number of meetings attended by each committee member during the year was as under:-

Name of Member	No. of Meetings Attended
Sh. Y.R. Shah	4
Sh. Bhagwan Ram	4
Dr. S.S. Banerjee	4

The committee invites the Managing Director, Vice President (F) as well as the representatives of the internal & the statutory auditors. The Company Secretary acts as secretary to the audit committee.

4. REMUNERATION COMMITTEE:

Brief Description of terms of reference

The remuneration Committee was constituted on 03.06.2005 to recommend remuneration of all the Executive & Non-Executive Directors after reviewing their performance.

Composition.

The Committee was reconstituted on 31.10.2009 by inducting Dr. S. S. Banerjee in place of Dr. S.K. Sharma due to his resignation. Presently, its members are Sh. Y. R. Shah, Sh. Bhagwan Ram and Dr. S. S. Banerjee. All the members of the Committee are Non-Executive & Independent Directors. During the financial year 2009-10 no meeting of the remuneration committee was held.

Remuneration of Directors

The appointment of Chairman & Managing Director, Managing Director and Executive Director is governed by resolution passed by the Board of Directors and shareholders of the Company at the respective meetings. They are paid remuneration as per terms and conditions approved by the Board of Directors and Shareholders on the recommendation of Remuneration Committee.

Non-Executive Directors do not draw any remuneration except sitting fee of Rs. 1000/- per meeting of the Board and Committee thereof and total sitting fee of Rs. 26000/- was paid during the financial year 2009-10. The details of remuneration paid to executive Directors during the financial year 2009-10 are as under:-

Details of Remuneration paid to Executive Directors
(Amt. in Rs.)

S.No.	Name of Director	Category of Directors	Basic Salary	Contribution to P.F.	Others	Total
1	Sh. R. L. Nolkha	Promoter & Executive Director	1580000	189600	55756	1825356
2	Sh. Dinesh Nolkha	Promoter & Executive Director	750000	90000	65574	905574
3	Sh. Nitin Nolkha	Promoter & Executive Director	627097	78852	72916	778865

Details of Sitting Fee paid to Non-Executive Directors

S. No.	Name of Director	Category of Directors	Sitting Fee (Amt. In Rs.)
1	Sh. Bhagwan Ram	Independent Non-Executive Director	8,000
2	Sh. S. K. Sharma	Independent Non-Executive Director	2,000
3	Sh. Y. R. Shah	Independent Non-Executive Director	8,000
4	Sh. S. S. Banerjee	Independent Non-Executive Director	8,000

The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fees to them for attending Board and Committee meetings. None of the Non-Executive Directors of the Company is holding any shares in the Company.

5. SHAREHOLDERS' COMMITTEE

The "Share Transfer & Investors' Grievance Committee" was constituted on 03.06.2005 and reconstituted on 30.10.2006 and on 31.10.2009 to consider and approve various requests for transfer, sub-division, consolidation, renewal, exchange, issue of new certificates in replacement of old ones and to redress the grievances of the investors as may be received from time to time. The Committee meets

periodically and shares are transferred within 15 days from the date of receipt of valid transfer request. During the financial year 2009-10 no share was received for transfer and one meeting of the committee was held on 04.07.2009.

The Secretarial Department of the Company and Registrar & Transfer Agent, Bigshare Services Private Ltd., Mumbai attend all the Grievance of the Shareholders and Investors received directly or through SEBI, Stock Exchanges, Department of Company Affairs, Registrar of Companies etc.

Composition

The composition of Share Transfer & Investors' Grievance Committees is as under:

S. No.	Name of the Director	Designation	Nature of Directorship
1	Mr. Y. R. Shah	Chairman	Independent & Non Executive
2	Mr. Dinesh Nolkha	Member	Promoter & Executive
3	Mr. Nitin Nolkha	Member	Promoter & Executive

Compliance Officer :- Mr. Sudhir Garg, Company Secretary & DGM (Legal)

Designated E-mail for Investors' Grievances: investorrelations@nitinspinners.com

Details of Complaints received and status thereof :-

No complaint was received from Investors during the financial year 2009-10.



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6. GENERAL BODY MEETING :

(i) Location and Time of General Body Meetings:

The details of location, date and time of Annual General Meetings held during last three years are given as under :-

AGM	Date	Time	Place	Special Resolution(s) passed
15 th AGM	14.09.2007	4.00 AM	16.17 K. M. Stone, Chittor Road, Hamirgarh, Bhilwara-311001	Nil
16 th AGM	22.09.2008	4.00 PM	- Do -	Nil
17 th AGM	29.09.2009	3.00 PM	- Do -	1. Alteration in clause 4 of Articles of Association i.e. Authorized Share Capital 2. Approval for issue of preference shares to Promoters 3. Approval for issue of Equity Shares on preferential basis to Promoters/ Promoters' Group.

Resolution subject to Postal Ballot at last three AGMs : Nil

8. OTHER DISCLOSURES:

The Company has complied with all the requirements of the Listing Agreement entered into with the Bombay Stock Exchange, Mumbai and the National Stock Exchange of India Ltd. as well as SEBI regulations and guidelines. No penalties/strictures were imposed/passed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets since the listing of the Company's shares.

There are no materially significant related party transactions made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large. Transactions with related parties are disclosed in Note No. 14(B) of Schedule 15(B) of Notes on Accounts in the Annual Report.

The code of conduct for Directors and Senior Management Personnel of the Company was approved by the Board at its Meeting held on 29.03.2006 and the same has also been placed on the website of the Company. All Board members and senior management personnel have affirmed compliance with the code of conduct during the year under review.

The Company has adopted the code of Internal Procedures and Conduct framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, to inter alia, prevent insider trading in the shares of the Company.

The clause 49 of the Listing Agreement consists of mandatory and non-mandatory requirements. The Company is compliant with mandatory requirements except constitution of remuneration committee.

9. MEANS OF COMMUNICATION

The main channel of communication to shareholders is through Annual Report which inter-alia includes, the Directors' Report, the Report on Corporate Governance and Audited Financial Results.

Quarterly financial results are approved by the Board of Directors and submitted to the Stock Exchanges. The Quarterly financial results are published in one prominent English and one vernacular newspaper such as the Financial Express/the Business Standard and the Rajasthan Patrika/the Dainik Bhaskar.

The website of the Company www.nitinspinners.com acts as the primary source of information about the Company. The quarterly financial results and Shareholding pattern are being displayed thereat. The same are also displayed on the website of the Stock Exchanges and Corporate filing.

No presentation was made to institutional investors or to analysts during the financial year 2009-10

GENERAL SHAREHOLDER INFORMATION

1. Shareholder Information :-

- A. Date of AGM & Time & Venue : 25.09.2010 at 3.00 PM at the Registered office
- B. Date of Book Closure : 18.09.2010 to 25.09.2010 (both the days Inclusive)
- C. Dividend Payment date : No dividend recommended on Equity Shares.
- D. Tentative Financial Calendar : Financial year of the Company is from April to March for next Year

Period	Approval by the Board of Directors
1 st Quarter ending June, 10	Last week of July, 10
2 nd Quarter ending September, 10	Last week of October, 10
3 rd Quarter ending December, 10	Last week of January, 11
Year ending 31 st March, 11	April/May, 2011
AGM for year ending 31 st March, 2011	August/September, 2011

- E. Listing on Stock Exchange & Stock Code:

Name of Stock Exchange	Stock Code
Bombay Stock Exchange Ltd., Mumbai	532698
National Stock Exchange of India Ltd.	NITINSPIN

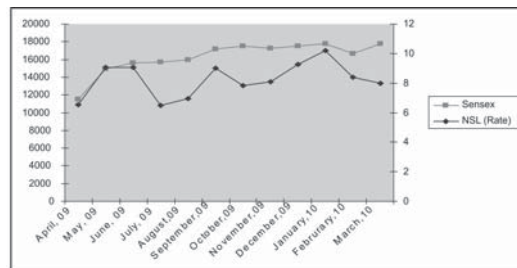
The applicable listing fee for the Financial Year 2010-11 has already been paid to both the Stock Exchanges.

Stock Price Data :

(Price in Rs. per Share)

Months	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April, 09	6.53	3.62	6.60	3.50
May, 09	9.08	4.30	9.10	4.25
June, 09	9.09	5.61	8.70	5.65
July, 09	6.48	5.00	6.50	5.00
August, 09	6.95	5.70	6.95	5.70
September, 09	9.00	6.18	9.15	6.15
October, 09	7.82	5.81	7.80	5.90
November, 09	8.10	5.65	8.25	5.60
December, 09	9.25	6.81	9.45	7.00
January, 10	10.20	7.28	10.20	7.30
February, 10	8.39	7.20	8.45	7.10
March, 10	7.98	6.50	9.00	6.00

H. Performance in comparison to Broad based Indices – BSE Sensex :-





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I. Dematerialisation of Share :

The equity shares of the Company are compulsorily traded and settled in dematerialised form under ISIN INE229H01012. The details of Shares under dematerialised and physical mode are as under :-

Particulars	31st March, 2010		31st March, 2009	
	No. of Shares	%	No. of Shares	%
No. of Shares Dematerialised				
— NSDL	3,35,98,938	73.31	1,71,08,270	41.90
— CDSL	60,17,947	13.13	62,25,065	15.24
No. of Shares in Physical Mode	62,17,060	13.56	1,75,00,610	42.86
Total	4,58,33,945	100.00	4,08,33,945	100.00

J. Outstanding GDRs/ADRs/Warrants Etc.

Nil

K. Registrar & Share Transfer Agent :-

The Bigshare Services Private Limited is the Registrar and Share Transfer Agent (RTA) of the Company. The Shareholders / Investors are requested to contact for all correspondence / queries at the following address :-

M/s Bigshare Services Private Limited

Unit : Nitin Spinners Limited
Address : E-2/3 , Ansa Industrial Estate, Saki Vihar Road,
Saki Naka, Andheri (E), Mumbai – 400072
Phone No. : 022 – 28470652, 28470653
Fax No. : 022 – 28475207
Email : ipo@bigshareonline.com
Web Site : www.bigshareonline.com

Share Transfer System :

The transfer of shares in physical form is processed and completed by Bigshare Services Private Ltd., Mumbai within a period of 15 days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a practicing Company Secretary audits the System of Transfer and a Certificate to that effect is issued.

L. Distribution Schedule as on 31st March, 2010 :

No. of Equity Shares held	No. of Shareholders	% to Shareholders	No. of Shares	% to Shares
Up to 500	12,628	73.97	31,69,059	6.91
501 to 1000	2,202	12.90	19,52,693	4.26
1,001 to 2,000	1,075	6.30	17,41,724	3.80
2,001 to 3,000	371	2.17	9,63,602	2.10
3,001 to 4,000	176	1.03	6,45,101	1.41
4,001 to 5,000	160	0.94	7,77,431	1.70
5,001 to 10,000	231	1.35	17,26,373	3.77
10,001 & above	228	1.34	3,48,57,962	76.05
Total	17071	100.00	4,58,33,945	100.00

M. Shareholding pattern as on 31st March 2010 :

S.No.	Category	No. of shares Held	Percentage of Shareholding
A.	Promoters Holding		
a.	Indian Promoters	2,74,56,404	59.90
b.	Foreign Promoters	-	-
	Total Promoters' Holdings	2,74,56,404	59.90
B	Non-Promoters Holding :-		
a.	Banks, Financial Institutions, Insurance Companies	4,93,029	1.08
b.	Private Corporate Bodies	34,68,095	7.57
c.	Indian Public	1,41,99,350	30.98
d.	NRIs / OCBs	1,76,750	0.39
e.	Any other (please specify) - Trust	1500	-
	- Clearing Member	38,817	0.08
	Total Non-Promoters' Holdings	1,83,77,541	40.10
	TOTAL (A) + (B)	4,58,33,945	100.00

N. Directors Seeking Re-appointment
Sh. Dinesh Nolkha

Sh. Dinesh Nolkha aged about 40 years is one of the key Promoters of the Company and associated with the company since its inception i.e. 15.10.1992. He has vast experience of about 18 years in textile industry. He is member of Institute of Chartered Accountant of India (ICAI) and Institute of Cost & Works Accountants of India (ICWAI). His functional experience covers Finance, Plant operations, Marketing, Administration & Management. He has extensively travelled abroad.

Directorship in other Companies :- Redial Trading & Investment Pvt. Ltd.

Dolphin Carrier Pvt. Ltd.

Sh. Nitin Nolkha

Sh. Nitin Nolkha aged about 34 years was appointed Director of the Company on 01.10.1997. He is Bachelor of Commerce and Master of Business Administration. He is one of key Promoters of the Company and has vast experience of 13 years in Textile Industry. His functional experience covers Plant Operations, Marketing, Administration & Management.

Directorship in other Companies :- Greenfield Securities Pvt. Ltd.

Prasham Corporate Services (India) Pvt. Ltd.

Plant Location & Address for Correspondence

16-17 KM Stone, Chittor Road
 Hamirgarh, Bhilwara - 311025 (Rajasthan)
 Phone : 01482-286110 to 286113
 Fax : 01482-286117 & 286114
 E-Mail : nsl@nitinspinners.com

**CERTIFICATION OF MANAGING DIRECTOR/CFO
UNDER CLAUSE 49 OF LISTING AGREEMENT**

- a) We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the
- Audit Committee, deficiencies in the design or operation of internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- P Maheshwari**
Chief Financial Officer
Place : Bhilwara
Date : 08.05.2010
- Dinesh Nolkha**
Managing Director

**AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF
CORPORATE GOVERNANCE**

TO THE MEMBERS OF NITIN SPINNERS LIMITED

We have examined the compliance of conditions of corporate governance by Nitin Spinners Limited, for the year ended March 31, 2010 as stipulated in clause 49 of the Listing Agreement entered into by the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company

In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholder's Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R. S. DANI & CO.
Chartered Accountants

Place : Bhilwara
Date : 08.05.2010

Ashok Mangal
Partner
M.No. 71714

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the attached Balance Sheet of **NITIN SPINNERS LIMITED** as at 31st March, 2010 and the related Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report)(Amendment) Order,2004, issued by the Government of India in terms of Section 227 (4A) of The Companies Act, 1956 (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.

Further to our comments in the annexure referred to in Paragraph (3) above, we report that

- a) We have obtained all the information & explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) The Balance Sheet, Profit & Loss Account and Cash Flow statement dealt with by this report are in agreement with the books of account ;
- d) In our opinion, the Balance Sheet and profit & Loss account dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act,1956;
- e) On the basis of the written representations received from the Directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the notes thereon and attached thereto, give in the prescribed manner the information required by the Companies Act, 1956 and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010, and
 - (ii) In the case of the Profit & Loss Account, of the Profit of the Company for the year ended on that date.
 - (iii) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For R. S. DANI & CO.
Chartered Accountants

Place : Bhilwara
Date : 8th May, 2010

Ashok Mangal
Partner
M.No. 71714

ANNEXURE TO AUDITORS' REPORT

Annexure referred to in paragraph (3) of our report of even date to the shareholders of **Nitin Spinners Limited** on the financial statements for the year ended 31st March 2010.

- (1) (a) Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Fixed Assets are physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies between the book records and the physical inventory have been noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not disposed off any major part of the Fixed Assets during the year.
- (2) (a) The inventory (excluding stock lying with third parties for which confirmation has been obtained) has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (3) (a) The company has not given any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Consequently the requirement of Clauses (iii) (b) to (iii) (e) of paragraph 4 of the order are not applicable.
- (b) The company has not taken any loans from the from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Consequently the requirement of Clauses (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable.
- (4) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. On the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (5) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (6) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from public with in the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- (7) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (8) We have broadly reviewed the cost records maintained by the company pursuant to the Rules made by the Central Government for maintenance of cost records under Section 209 (1) (d) of the companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.

- (9) (a) In our opinion and according to the information and explanations given to us, and according to the records of the Company examined by us, the Company is generally regular in depositing the undisputed statutory dues with appropriate authorities including provident fund, investor education protection fund, employee's state insurance, income-tax, sales-tax, custom duty, excise-duty, cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, Sales tax, Custom duty and Excise duty were outstanding, as at 31.3.2010 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Wealth Tax, Income Tax, Service Tax, Excise Duty, Customs, VAT, Entry Tax and Education Cess as at March 31st, 2010 which have not been deposited on account of any dispute are as under :-

Name of the Statute	Nature of dues	Amount Rs. in lacs	Period	Forum which at pending
Central Excise	Excise Duty & Penalty	6.38	2001-02	Tribunal New Delhi
Central Excise	Excise Duty & Penalty	24.50	2007-08	Tribunal New Delhi
Value Added Tax	Penalty	0.44	2006-07	D.C. (Appeal) Bhilwara
Entry Tax	Tax	90.22	2006-07 to 31.03.2010	High Court Jodhpur
Central Excise	Excise duty and Penalty	30.45	01.04.2000 to 30.06.2000	Commissioner (A) Jaipur
Central Excise	Refund under Rule 5	10.48	01.03.2008 to 31.03.2008	CESTAT

- (10) The company does not have any accumulated losses. The company has incurred cash losses amounting to Rs. 2614.07 during immediately preceding Financial Year.
- (11) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to the financial institution, banks or debenture holders.
- (12) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (13) The provisions of any special statutes applicable to a chit fund / nidhi /mutual benefit fund/ societies are not applicable to the Company.
- (14) In our opinion and as per information and explanations given to us, the Company is not dealing in shares, securities, debentures and other investments.
- (15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (16) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were raised.
- (17) On the basis of an overall examination of the Balance Sheet of the Company as at 31.3.2010 and in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis, which have been used for long-term investment.
- (18) In terms of approval of CDR Scheme by the lenders, the Company has made preferential allotment of 50,00,000 Equity Shares of Rs. 10/- each, at par, to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 .
- (19) The Company has not issued any debentures.
- (20) The Company has not raised any money by public issue during the year.
- (21) During the course of our examination of the books and records of the Company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year nor have we been informed of such case by the management.

For R. S. DANI & CO.
Chartered Accountants

Place : Bhilwara
Date : 8th May, 2010

Ashok Mangal
Partner
M.No. 71714



NITIN

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	Schedule No.	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	4583.39	4083.39
Reserves & Surplus	2	3378.49	3310.56
		<u>7961.88</u>	<u>7393.95</u>
Loan Funds			
Secured Loans	3	30850.72	27409.50
Unsecured Loans		-	2531.77
		<u>30850.72</u>	<u>29941.27</u>
TOTAL		<u>38812.60</u>	<u>37335.22</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	4	37510.38	37701.03
Depreciation		8002.66	6384.73
Net Block		<u>29507.72</u>	<u>31316.30</u>
Capital work in progress			
		-	7.93
		<u>29507.72</u>	<u>31324.23</u>
Investment			
Current Assets, Loans & Advances	6	0.06	0.06
Inventories		7602.86	4097.69
Sundry Debtors		940.25	1524.24
Cash & Bank Balances		9.93	53.05
Loans & Advances		1251.51	2269.43
		<u>9804.55</u>	<u>7944.41</u>
Less : Current Liabilities & Provisions			
Current Liabilities	7	709.32	2187.21
Provisions		107.63	95.77
		<u>816.95</u>	<u>2282.98</u>
Net Current Assets		<u>8987.60</u>	<u>5661.43</u>
Deferred Tax Assets		<u>317.22</u>	<u>349.50</u>
TOTAL		<u>38812.60</u>	<u>37335.22</u>
Accounting Policies and Notes to the Accounts			
	15		

In terms of our report of even date

For R.S. DANI & CO.
Chartered Accountants

ASHOK MANGAL
Partner
M.No.71714

Place : Bhilwara
Date : 8th May, 2010

For and on behalf of the Board

R.L. NOLKHA
Chairman & Managing Director

DINESH NOLKHA
Managing Director

NITIN NOLKHA
Executive Director

P. MAHESHWARI
Chief Financial Officer

Y.R. SHAH
Director

BHAGWAN RAM
Director

Dr. S. S. BANERJEE
Nominee Director

SUDHIR GARG
Company Secretary
& DGM (Legal)



NITIN

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	Schedule No.	Year ended 31.03.2010 (Rs. in lacs)	Year ended 31.03.2009 (Rs. in lacs)
INCOME			
Gross Sales	8	30195.96	26292.31
Less : Excise Duty		0.47	65.49
Net Sales		30195.49	26226.82
Other Income	9	42.47	89.28
Increase/ (Decrease) In Stock	10	(109.90)	201.54
TOTAL		30128.06	26517.64
EXPENDITURE			
Materials Consumed	11	18576.39	16856.04
Payment to and Provision for Employees	12	1300.59	1077.68
Operating and Other Expenditure	13	6785.31	5890.60
Financial Expenses	14	1500.93	2380.92
TOTAL		28163.22	26205.24
Profit before Depreciation & Exceptional Items		1964.84	312.40
Exceptional Items		-	2926.47
Depreciation		1865.11	1691.39
Profit / (Loss) Before Tax		99.73	(4305.46)
Less: Provision for taxation- Current		15.41	-
Deferred		32.28	(1560.91)
Fringe Benefit Tax		-	2.62
MAT Credit Entitlements		(15.41)	-
Profit / (Loss) After Tax		67.45	(2747.17)
Less : Adjustments for Earlier Years			
Depreciation Written Back		-	(1998.92)
Income Tax		(0.48)	(16.35)
Deferred Tax Expenses		-	679.43
Net Profit/(Loss) after adjustment of earlier years		67.93	(1411.33)
Add : Balance brought forward		-	1206.65
Balance available for appropriation		67.93	(204.68)
APPROPRIATIONS			
Dividend on Preference Shares		-	1.28
Dividend Tax		-	0.22
Capital Redemption Reserve		-	50.00
Transfer from General Reserve		-	(256.18)
Balance Carried to Balance Sheet		67.93	0.00
Basic & Diluted Earning Per Share		0.15	(6.73)
Accounting Policies and Notes to the Accounts	15		

In terms of our report of even date

For and on behalf of the Board

For R.S. DANI & CO.
Chartered Accountants

R.L. NOLKHA
Chairman & Managing Director

Y.R. SHAH
Director

ASHOK MANGAL
Partner
M.No.71714

DINESH NOLKHA
Managing Director

BHAGWAN RAM
Director

NITIN NOLKHA
Executive Director

Dr. S. S. BANERJEE
Nominee Director

Place : Bhilwara
Date : 8th May, 2010

P. MAHESHWARI
Chief Financial Officer

SUDHIR GARG
Company Secretary
& DGM (Legal)



NITIN

SCHEDULE : 1 SHARE CAPITAL

	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
AUTHORISED :		
4,60,00,000 (Previous Year : 4,85,00,000) Equity Shares of Rs. 10/- Each	4600.00	4850.00
4,00,000 (Previous Year : 1,50,000) Preference Shares of Rs. 100/- Each	400.00	150.00
TOTAL	5000.00	5000.00
ISSUED, SUBSCRIBED & PAID - UP :		
4,58,33,945 (Previous Year : 4,08,33,945) Equity Shares of Rs. 10/- Each fully paid up	4583.39	4083.39
	4583.39	4083.39

SCHEDULE 2 : RESERVES & SURPLUS

General Reserve	393.83	393.83
Profit & Loss Account	67.93	-
Capital Redemption Reserve	150.00	150.00
Share Premium	2766.73	2766.73
	3378.49	3310.56

SCHEDULE : 3 LOAN FUNDS

A. Secured Loans		
Term Loans from Bank	24784.23	21728.10
Working Capital Loans from Bank	6066.49	5449.49
Others	-	1.67
Interest Accrued & Due on Term Loans	-	230.24
Total (A)	30850.72	27409.50
B. Unsecured Loans		
From Bank	-	2531.77
Total (B)	-	2531.77
Total (A + B)	30850.72	29941.27

Notes :

1. Term Loans of Rs. 210.34 crores are secured by way of first charge on all immovable and movable fixed assets (both present and future) and second charge on current assets subject to prior charges created and/or to be created in favour of the Company's bankers on specified movable assets to secure borrowing for working capital requirements. The term loan of Rs. 37.50 crores are secured by way of third charge on all immovable and movable fixed assets and current assets of the company. The term loans are also secured by personal guarantee of three directors.
2. The working capital loans are secured by way of hypothecation (both present and future) of stocks of raw material / component spares, stock in process, finished goods and book debts and a second charge on all immovable properties (both present and future) of the company. The working capital loans are also secured by personal guarantee of three directors.
3. Repayment of Term Loans due within one year is Rs.865.14 Lacs (Previous year Rs.483.87 lacs).

SCHEDULE 4 : FIXED ASSETS
(Rs. in lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 01-04-09	Additions	Deduction	As at 31-03-10	As at 01-04-09	Depreciation Written Back	For the Year	Deductions	As at 31-03-10	As at 31-03-10	As at 31-03-09
Freehold Land	178.99	-	-	178.99	-	-	-	-	-	178.99	178.99
Buildings	6000.02	14.98	-	6015.00	521.83	-	194.66	-	716.49	5298.51	5478.19
Plant & Machinery	29835.06	64.25	268.39	29630.92	5603.31	-	1576.60	236.73	6943.18	22687.74	24231.75
Electric Installation	1427.94	6.03	-	1433.97	158.28	-	73.61	-	231.89	1202.08	1269.66
Furniture & Fixtures	80.46	-	0.47	79.99	22.35	-	4.80	0.23	26.92	53.07	58.11
Office Equipments	136.64	6.73	13.85	129.52	66.97	-	11.48	8.60	69.85	59.67	69.67
Vehicles	41.92	4.25	4.18	41.99	11.99	-	3.96	1.62	14.33	27.66	29.93
Total	37701.03	96.24	286.89	37510.38	6384.73	-	1865.11	247.18	8002.66	29507.72	31316.30
Previous Year	30820.85	7083.23	203.05	37701.03	6869.47	1998.92	1691.39	177.21	6384.73	31316.30	23951.38
Capital Work in Progress											7.93

SCHEDULE : 5 INVESTMENT

	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
National Saving Certificate	0.06	0.06
	0.06	0.06

SCHEDULE : 6 CURRENT ASSETS, LOANS & ADVANCES

A. INVENTORIES		
Raw Material	6168.08	2121.78
Work-In-Process	246.17	523.08
Finished Goods	637.15	782.81
Saleable Waste	58.97	23.21
Stores and Spares	305.68	376.39
Fuel	186.81	270.42
Total (A)	7602.86	4097.69
B. SUNDRY DEBTORS		
(Un-secured, Considered Good)		
Over Six months	—	—
Other Debts	940.25	1524.24
Total (B)	940.25	1524.24



NITIN

	As at 31.03.2010 (Rs. in lacs)	As at 31.03.2009 (Rs. in lacs)
C. CASH & BANK BALANCES		
Cash in Hand	2.53	2.74
Balance with Scheduled Banks in :		
Current Account	1.40	2.12
Fixed Deposits & Margin money	6.00	47.45
Interest Accrued on Fixed Deposits	-	0.74
Bank Balance in Public Issue Refund Account	5.06	5.06
Less Public Issue Money Refundable	(5.06)	(5.06)
Total (C)	9.93	53.05
D. LOANS & ADVANCES		
(Un secured, Considered Good)		
Advances (Recoverable in cash or in kind or for value to be received)	319.12	1299.34
Amount Receivable under TUFs	620.50	778.85
Export Incentive Receivable	284.71	162.61
Deposits with Govt. Authorities & Other	4.88	4.64
Advance Income Tax (Net of provision)	22.30	23.99
Total (D)	1251.51	2269.43
Total (A to D)	9804.55	7944.41

SCHEDULE : 7 CURRENT LIABILITIES & PROVISIONS

A. CURRENT LIABILITIES		
Sundry Creditors		
- Trade	112.08	1723.62
- Expenses & Others	161.80	140.19
- Advances from Customers	137.45	24.56
- Interest accrued but not due on Loans	10.48	-
Other Liabilities	287.51	298.84
Total (A)	709.32	2187.21
B. PROVISIONS		
Gratuity	69.16	58.17
Leave encashment	38.47	37.60
Total (B)	107.63	95.77
Total (A + B)	816.95	2282.98

SCHEDULE : 8 SALES

	Year ended 31.03.2010 (Rs. in lacs)	Year ended 31.03.2009 (Rs. in lacs)
Yarn	25766.69	21670.33
Fabric	2627.35	3753.45
Waste & Scrap	925.25	607.89
Power	762.23	258.18
Job Receipt	114.44	2.46
TOTAL	30195.96	26292.31

SCHEDULE : 9 OTHER INCOME

Miscellaneous Income	1.20	0.89
Insurance Claim Received on Fixed Assets (Net)	-	88.39
Profit on Sale of Fixed Assets	41.27	-
TOTAL	42.47	89.28

SCHEDULE : 10 INCREASE/(DECREASE) IN STOCKS

Closing Stock		
Finished Goods	637.15	782.81
Saleable Waste	58.97	23.21
	696.12	806.02
Opening Stock		
Finished Goods	782.81	552.57
Saleable Waste	23.21	51.91
	806.02	604.48
Increase/(Decrease) in Stocks	(109.90)	201.54

SCHEDULE : 11 MATERIALS CONSUMED

Stock at Opening	2644.86	3935.59
Add : Purchases & Expenses	22345.78	15565.31
	24990.64	19500.90
Less : Stock at Closing	6414.25	2644.86
TOTAL	18576.39	16856.04



NITIN

SCHEDULE : 12 PAYMENT TO AND PROVISION FOR EMPLOYEES

	Year ended 31.03.10 (Rs. in lacs)	Year ended 31.03.09 (Rs. in lacs)
Salary, Wages & Bonus	1132.63	914.75
Workmen & Staff Welfare	64.66	58.11
Provident Fund, Gratuity & Other Benefits	103.30	104.82
TOTAL	1300.59	1077.68

SCHEDULE : 13 OPERATING AND OTHER EXPENDITURE

A. MANUFACTURING EXPENSES

Power, Fuel & Water charges	3833.04	3482.70
Stores & Spares Consumed	1018.40	588.22
Packing Expenses	537.10	513.30
Repair & Maintenance		
Plant & Machinery	67.83	36.15
Building	20.79	14.68
Others	10.57	8.51
Total (A)	5487.73	4643.56

B. ADMINISTRATIVE & OTHER EXPENSES

Printing & Stationery	7.51	7.48
Postage, Telegram & Telephones	16.42	19.76
Subscription & Membership Fees	1.74	1.51
Directors' Sitting Fee	0.26	0.35
Rent, Rates & Taxes	9.13	8.25
Travelling – Directors	6.36	10.12
– Others	14.38	12.69
Vehicle & Conveyance	9.31	8.63
Charity & Donation	5.13	1.17
Legal & Professional	25.31	32.64
Insurance Charges	43.72	40.16
Loss on Sale of Fixed Assets	–	0.20
Audit Fees	1.80	1.60
Advertisement	4.04	4.16
Miscellaneous Expenses	7.29	2.78
Total (B)	152.40	151.50



NITIN

	Year ended 31.03.10 (Rs. in lacs)	Year ended 31.03.09 (Rs. in lacs)
C. SELLING & DISTRIBUTION EXPENSES		
Sales Promotion	11.20	3.46
Sales Commission	426.76	329.29
Rebate, Claims & Discount	44.94	40.71
Freight & Forwarding	662.28	722.08
Total (C)	1145.18	1095.54
Total (A to C)	6785.31	5890.60

SCHEDULE : 14 FINANCIAL EXPENSES

Interest on		
Term Loans	776.28	1582.22
Others	592.96	679.39
	1369.24	2261.61
Less Interest Received	14.71	8.90
	1354.53	2252.71
Bank & Other Charges	146.40	127.46
Exchange Fluctuation on Foreign Currency Loan	-	0.75
	1500.93	2380.92

SCHEDULE - 15 : ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1) Basis for preparation of Financial Statement

- The financial statements have been prepared under the historical cost convention and on the principles of going concern in accordance with Generally Accepted Accounting Principles, applicable Accounting Standards and provisions of the Companies Act, 1956.
- Accounting policies, not specifically referred to, are consistent with Generally Accepted Accounting Principles.

2) Use of Estimates

The presentation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

3) Revenue Recognition :

- Sales are recognised when goods are supplied and effective control of goods associated with ownership is transferred to the buyer. Sales are recorded net of Sales Tax, return, discounts and rebates but including Excise Duties and exchange fluctuations. Sale of surplus Power is also recognized as sales.
- Other Income and Incentives/Benefits are accounted for on accrual basis.
- Claims lodged with insurance companies are accounted and credited to the relevant head when recognized by the insurance company.



NITIN

(d) Inter-divisional sales comprising of sale of power for captive use is reduced from gross turnover in arriving net turnover.

4) Expenditure

- (a) Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.
- (b) Rebate, claims & settlement on goods sold are accounted for as and when these are ascertained with reasonable accuracy.

5) Inventory

Inventories are valued at cost or net realisable value, whichever is lower. The cost in respect of various items of inventory is computed as under :-

- (a) Cost of raw materials and stores include duties, taxes, freight and other expenses and are net of Duty Drawback, VAT & CST refund, CENVAT credit wherever made applicable. The cost is determined on FIFO basis.
- (b) Cost in relation to finished goods comprises of cost of materials, excise duty, production overheads and depreciation.
- (c) Work in process, at raw material cost plus conversion cost depending upon the stage of completion.
- (d) The material/finished goods despatched from the factory but lying at port pending shipment are taken as a part of finished goods stock.

6) Investments

- (a) Investments are stated at cost.
- (b) Dividend income is accounted when the right to receive is established.

7) Fixed Assets

Fixed Assets are stated at cost net of CENVAT/VAT credit availed and includes amounts added on revaluation, less accumulated depreciation and impairment loss, if any. All costs, including financing cost till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

8) Depreciation

- (a) (i) Depreciation on Plant & Machinery, Electric Installations, 10.50 MW Thermal Power Plant and 7.67 MW F.O. Power Plant is provided on the rates applicable to Continuous Process Plant – Straight Line Method as provided in Schedule XIV to the Companies Act, 1956.
- (ii) Depreciation on other Fixed Assets is provided at the rates specified in Schedule XIV to the Companies Act, 1956 on Straight Line Method.
- (b) Depreciation on Fixed Assets for trial run period has not been charged.

9) Prior year Adjustments

Earlier year items, adjustment/Claims, arisen / settled / noted during the year are debited / credited to the respective heads of account being not material in the nature.

10) Borrowing Costs

Borrowing costs attributable to the acquisition or construction of Fixed Assets are capitalized as part of the cost of such assets for the period prior to commencement of commercial production or installation. All other costs are charged to revenue.

11) Government Grants, Subsidy & incentives

- (a) Interest subsidy received or receivable on Term Loans taken under TUF Scheme is recognized on accrual basis and reduced from the Financial Expenses. The TUF benefits attributable to the acquisition/installation of Fixed Assets till the commencement of commercial production are netted against the cost of fixed assets.
- (b) Duty Drawback, Sales Tax refunds and other incentives are reduced from the cost of respective assets/ purchases.

12) Foreign Currency Transactions

Foreign currency assets and liabilities covered by forward contracts are stated at the forward contract rates while those not covered by forward contracts are restated at rates ruling at the year end. Exchange rate differences are dealt with in the Profit and Loss account except those relating to the acquisition of fixed assets, which are adjusted to the cost of the assets.

13) Financial derivatives

Foreign Currency Derivative contracts are accounted on the date of their settlement and realized gain/loss in respect of settled contracts are recognized in the Profit and Loss Account, except where they relate to

borrowings attributable to the acquisition of fixed assets, in that case they are adjusted to the carrying cost of the assets.

14) CENVAT / Duty Drawback

- (a) The purchase cost of raw materials and other expenses has been considered net of CENVAT available on inputs.
- (b) The CENVAT benefits attributable to acquisition/installation of fixed assets are netted off against the cost of fixed assets in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India.

15) Excise Duty

Excise Duty is accounted for on the basis of payments made in respect of goods cleared and provision is made for goods lying in Stock and the same is treated as part of the cost of respective Stock

16) Research & Development

Revenue expenditure on Research and Development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as addition to fixed assets.

17) Retirement Benefits

The company's contribution to Provident and other funds are charged to Profit & Loss Account. The liability for gratuity is provided on the basis of actuarial valuation and leave encashment liability on actual basis.

18) Provision for Current and Deferred Tax

- (a) Provision for Current Income Tax is made after considering exemptions and deductions available under the Income Tax Act, 1961.
- (b) Deferred Tax Liability resulting from timing differences between book and tax profit is accounted for by using the tax rates and laws that are enacted or substantially enacted as on Balance Sheet date. The deferred tax assets is recognized and carried forward only to extent that there is a reasonable certainty that the assets will be realized in future.

19) Impairment of Assets

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

20) Deferred Revenue Expenditure

The Company does not recognize any Deferred Revenue Expenditure.

21) Provisions and Contingencies

Provision is recognized when the company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions except in respect of employee benefits are not discounted to its present value and are determined based on best estimate of the expenditure required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. A contingent liability is disclosed unless the possibility of an out flow of resources embodying economic benefit is remote.

B. NOTES ON ACCOUNTS

- 1) Contingent Liabilities not provided for

(Rs. In Laacs)

S.No.	Particulars	Current Year	Previous Year
a.	Bills discounted with Banks	3426.87	2906.36
b.	Counter Guarantees given in respect of Guarantees given by the Company's Banker	91.67	Nil
c.	Disputed taxation matter for which no provision has been made.		
	VAT	0.44	0.44
	Entry Tax	90.22	43.30
	Cenvat and Custom Duty	71.81	36.31

- 2) The estimated amount of contracts remaining to be executed on capital account and not provided for is **Rs. Nil** (Previous Year – Rs. Nil)
- 3) In the opinion of the Board the Current Assets, Loans and Advances are approximately of the value as stated in Financial Statements, if realised in the ordinary course of business. The provision for all known and determined liabilities is adequate and not in excess of the amount reasonably required.
- 4) Loans & Advances include due from officers of the Company **Rs. Nil** (Previous Year Rs. Nil). Maximum amount due at any time during the year from officers **Rs. Nil** (Previous Year Rs. Nil).
- 5) Sundry Creditors include Rs. 4.77 lacs (Previous Year Rs. 8.91 lacs) amount due to Micro & Small Enterprises as at 31st March 2010. The figures have been disclosed on the basis of confirmations obtained from suppliers who have registered themselves under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and /or based on the information available with the company. Further, no interest during the year has been paid or payable under the provisions of the MSMED Act, 2006.
- 6) During the year Company has allotted 50,00,000 Equity Shares of Rs. 10/- each, at par, aggregating to Rs. 5.00 Crores to the Promoters/ Promoters' Group on preferential basis.
- 7) Financial Derivative Instruments

The Company uses Forward Exchange Contracts to hedge its exposure in foreign currency. The information on derivative instruments is as follows:

Particulars	Current Year		Previous Year	
	Amount in Foreign Currency	Amount Rs. Crore	Amount in Foreign Currency	Amount Rs. Crore
A Forward Exchange Contracts outstanding as at currency				
USD/INR (Sale)	10259000	47.49	2505000	12.80
EURO/INR (Sale)	170000	1.07	119000	0.79
USD/INR (Purchase)	-	-	367000	1.85
B Foreign currency exposure not covered by derivative instrument				
1. Amount receivable on account of export of goods and services:				
USD	144000	0.65	1470000	7.45
2. Amount payable on account of import of goods and services:				
USD	1761000	7.95	-	-
EURO	28000	0.17	-	-

- 8) Exceptional items represent **Rs Nil** (Previous Year Rs 2926.47 lacs) being losses on Foreign Exchange Derivative Contracts.
- 9) Power and Fuel includes fuel consumed **Rs. 693.62 lacs** (Previous year Rs. 185.96 Lacs) for generation of power sold.
- 10) The Deferred Tax Assets/ Liabilities as on 31.3.2010 comprise of following:

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
A. Deferred Tax Liability/(Assets) – Depreciation	3448.35	3269.41
B. Deferred Tax Liability/(Assets) Unabsorbed Depreciation & C/F Losses	(3729.82)	(3586.36)
C. Deferred Tax Liability/(Assets) – Employee Benefits	(35.75)	(32.55)
Net Deferred Tax Liability/(Assets)	(317.22)	(349.50)

11) Payment to Auditors :-

	Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
A.	Audit Fee	1.60	1.40
B.	Tax Audit Fee	0.20	0.20
	Total	1.80	1.60

12) Employee Benefit Obligations

a) Defined Contribution Plan

The Company makes contributions towards Employees Provident Fund and Family Pension Fund for qualifying employees. The Fund is operated by the Regional Provident Fund Commissioner. The amount of contribution is recognized as expense for defined contribution plans.

Total contribution made by the employer to the Fund during the year is **Rs 66.98 lacs** (Previous Year Rs 65.30 Lacs) .

b) Defined Benefit Plan

The Company make payment to vested employees at retirement, death while in employment or on termination of an amount equivalent to 15 days salary (last drawn salary) payable for each completed year of service or part thereof in excess of six months as per provisions of Payment of Gratuity Act, 1972. Vesting occurs upon completion of five years of service. The Company makes provision of Gratuity liability as on the balance sheet date on actuarial valuation basis for qualifying employees, however the same is not funded to any trust or scheme.

The present value of the defined benefits obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuation being carried out at each balance sheet date.

The Present value of the obligation as recognized in the Balance Sheet :-

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Present value of obligation at the beginning of the period	58.16	43.55
Interest cost	4.36	3.05
Current service cost	17.16	18.87
Benefits paid	(5.06)	(2.87)
Actuarial (gain)/loss on obligation	(5.46)	(4.44)
Present value of obligation at the end of period	69.16	58.16

The amounts recognized in the Profit & Loss account are as follows :-

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Current service cost	17.16	18.87
Interest cost	4.36	3.05
Net actuarial (gain)/loss recognized in the period	(5.46)	(4.44)
Expenses recognized in the Profit & Loss A/c	16.06	17.48

Reconciliation of the Present value of defined obligation and the fair value of the plan assets

Particulars	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Present value of obligation as at the end of period	69.16	58.16
Fair value of Plan Assets	-	-
Liability Recognized in Balance Sheet	69.16	58.16

The assumptions used in Actuarial Valuation:-

Particulars	Current Year (In %)	Previous Year (In %)
i) Discounting Rate	7.50	7.00
ii) Future salary Increase	5.00	4.50

The estimates of future salary increase; considered in actuarial valuation, take account of inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

The discount rate is based on prevailing market yields of Indian Government Bonds, as at the balance sheet date, consistent with the currency and estimated term of the post employment benefit obligations.

c) **Other Long Term Employee Benefits**

Present value of Leave Encashment obligation as on 31.03.2010 is **Rs. 38.47 Lacs.** (Previous Year Rs. 37.60 lacs).

- 13) The figures for the previous year have been regrouped and rearranged wherever found necessary to make them comparable with those of current year.

14. DISCLOSURES UNDER ACCOUNTING STANDARDS

A) SEGMENT REPORTING

(a) Primary Segment Reporting (By Business Segments)

- (i) The Company is engaged in textiles. Hence there is no separate business segments
(ii) The company has its own power generation division mainly for captive use; therefore it is not treated as a separate business segment.

(b) Secondary Segment reporting on the basis of geographical segment is as below:

(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
1.	Segment Revenue		
	- Within India	12149.79	13500.35
	- Outside India	18088.64	12881.24
	Total Revenue	30238.43	26381.59
2.	Segment Assets*		
	- Within India	38803.87	38760.20
	- Outside India	508.46	508.50
	Total Assets	39312.33	39268.70

***Segment Assets outside India is entirely related to Sundry Debtors.**

B) RELATED PARTY DISCLOSURES

Transactions with related party as identified by the management in accordance with Accounting Standard 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are as follows:-

List of Related Parties with whom transactions have taken place :-

(a) Key Management Personnel :-

Name of Person	Relationship
Shri R.L. Nolkha, Chairman & Managing Director	Father of Shri Dinesh Nolkha & Shri Nitin Nolkha
Shri Dinesh Nolkha, Managing Director	Son of Shri R.L. Nolkha
Shri Nitin Nolkha, Executive Director	Son of Shri R.L. Nolkha

(b) Associates :-

Redial Trading & Investment Pvt. Ltd	Prasham Corporate Services (India) Pvt. Ltd.
Greenfield Securities Pvt. Ltd	Dolphin Carrier Pvt Ltd.
Ratan Lal Nolkha (HUF)	Dinesh Nolkha (HUF)

(c) Relatives to Key Management Personnel :- Smt. Ranjeeta Nolkha

Details of Transactions with related parties :-

(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
1	Rent Payment	1.80	1.80
2	Remuneration to Key Management Personnel	35.10	31.29
3	Share Application Money received	500.00	-

The balance with related parties as on 31.03.2010 was Nil

C) Earning Per Share (EPS) – The numerator and denominator used to calculate EPS

(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
A	Net Profit/(Loss) available to Equity Shareholders	67.45	(2748.67)
B	Number of Equity Shares of Rs.10 each outstanding during the year (in lacs)	458.34	408.34
C	Basic/Diluted Earning per share (Rs.)	0.15	(6.73)
D	Face Value of each equity share (Rs.)	10.00	10.00

17) Additional information as required under part IV of Schedule VI of the Companies Act,1956

Licensed Capacity : Not applicable

Installed capacity (As certified by Management)

	Current Year	Previous Year
Rotors (Nos.)	2936	3320
Spindles (Nos.)	77616	77616
Knitted Fabric(No. of M/c's)	27	27

A. Production, Turnover & Stock

(As per Inventories taken, valued and certified by the Management)

S.N.	PARTICULAR	PRODUCTION		OPENING STOCK		CLOSING STOCK		SALES	
		2009-10	2008-09	2009-10	2008-09	2009-10	2008-09	2009-10	2008-09
A	Own Manufacturing Yarn								
i)	Qty. (In Tons) *	22036.172	21899.591	685.261	482.079	534.889	685.261	20654.433	19179.823
	Value (Rs. in Lacs)	-	-	742.26	519.91	629.78	742.26	25766.69	21670.33
ii)	Fabric								
	Qty. (In Tons)	1604.573	2561.571	36.096	25.787	5.538	36.096	1635.131	2551.262
	Value (Rs. in Lacs)	-	-	40.56	32.66	7.37	40.56	2627.35	3753.45
iii)	Waste								
	Qty. (In Tons)	4890.395	3009.098	144.241	152.568	127.601	144.241	4907.035	3017.425
	Value (Rs. in Lacs)	-	-	23.21	51.91	58.98	23.21	925.25	607.89
B	Power								
	Unit (In Lacs)**	859.582	782.532	-	-	-	-	127.795	45.116
	Value (Rs. in Lacs)	-	-	-	-	-	-	762.23	258.18
C	Job Work for Other								
i)	Fabric								
	Qty. (In Tons)	621.852	19.478	-	-	-	-	621.852	19.478
	Value (Rs. in Lacs)	-	-	-	-	-	-	114.44	2.46

* Production includes (a) 1532.111 Tons. (Previous Year 2516.586 Tons.) transferred for captive consumption and (b) Purchase of Finished goods of 250.614 Tons (Previous Year Nil)

** Power generation includes 731.787 Lacs units (Previous year 737.416 Lacs units) used for captive consumption

B. Raw Material consumed

S.No.	Particulars	Current Year		Previous Year	
		(Qty. in Tons)	(Rs. in lacs)	(Qty. in Tons)	(Rs. in lacs)
a.	Cotton	26845.726	17835.14	25310.357	16683.28
b.	Yarn	660.042	741.25	46.631	165.41
c.	Viscose	-	-	7.811	7.35
Total		27505.768	18576.39	25364.799	16856.04

C. Value of Imports calculated on CIF basis in respect of

(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
a.	Spare Parts	378.07	253.44
b.	Raw Material	1767.10	1804.20
Total		2145.17	2057.64

D. Value of Raw Material, Components and Spare Parts Consumed

S.No.	Particulars	Current Year (Rs. in lacs)	%	Previous Year (Rs. in lacs)	%
(i)	Raw Material				
a.	Imported	1930.70	10.39	1790.80	10.62
b.	Indigenous	16645.69	89.61	15065.24	89.38
Total		18576.39	100.00	16856.04	100.00
(ii)	Components & Spare Parts				
a.	Imported	385.94	37.90	242.12	41.16
b.	Indigenous	632.46	62.10	346.10	58.84
Total		1018.40	100.00	588.22	100.00

E. Expenditure in Foreign Currency

(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
i.	Commission	212.44	181.49
ii.	Travelling	2.36	4.51
iii.	Ocean Freight	0.00	34.48
Total		214.80	220.48

F. Earning in Foreign Currency
(Rs. in lacs)

S.No.	Particulars	Current Year	Previous Year
(i)	Export of Goods at FOB value	17707.49	12402.80

G. Managerial Remuneration

(i)	Salary	29.57	25.07
(ii)	Contribution to Provident Fund	3.59	3.01
(iii)	Others	1.94	3.21
	Total	35.10	31.29

I. BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
i. Registration Details

Registration No.	06987	State Code	17
Balance Sheet	310310		

ii. Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Pvt. Placement	50000

iii. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	3881260	Total Assets	3881260
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Sources of Funds

Paid-up Capital	458339	Reserves & Surplus	337849
Equity Share Application	NIL	Deferred Tax Liability	NIL
Secured Loans	3085072	Unsecured Loans	NIL

Application of Funds

Net Fixed Assets	2950772	Investments	6
Net Current Assets	898760	Deferred Tax Assets	31722

iv. Performance of Company (Amount in Rs. Thousands)

Turnover & Other Income	3023796	Total Expenditure	3013823
Profit/Loss before Tax	9973	Profit/Loss after Tax	6745
Earning per Share Rs.	0.15		

v. Generic Names of Principal Products/Services of Company (as per monetary terms)

Item code No.	Product Description
5205	COTTON YARN
6000	COTTON KNITTED FABRIC

Signatures to Schedules 1 to 15

As per of our report of even date attached.

For and on behalf of the Board

For R.S. DANI & CO.
 Chartered Accountants

ASHOK MANGAL
 Partner
 M.No.71714

 Place : Bhilwara
 Date : 8th May, 2010

R.L. NOLKHA
 Chairman & Managing Director

DINESH NOLKHA
 Managing Director

NITIN NOLKHA
 Executive Director

P. MAHESHWARI
 Chief Financial Officer

Y.R. SHAH
 Director

BHAGWAN RAM
 Director

Dr. S. S. BANERJEE
 Nominee Director

SUDHIR GARG
 Company Secretary
 & DGM (Legal)



NITIN

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Year Ended 31.3.2010 (Rs. in lacs)	Year Ended 31.3.2009 (Rs. in lacs)
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	99.73	(4305.46)
Adjustments for :-		
Depreciation	1865.11	1691.39
Interest Expenditure	1500.93	2380.92
Loss / (Profit) on sale of Fixed Assets	(41.27)	(88.19)
Operating Profit Before Working Capital Changes	3424.50	(321.34)
Adjustments for :-		
Decrease/(Increase) Inventories	(3505.18)	777.53
Decrease/ (Increase) Sundry Debtors	583.99	(345.24)
Decrease/ (Increase) Loans and Advances	1017.92	15.58
Increase/(Decrease) Sundry Creditors	(1466.02)	1286.56
Total Adjustments	(3369.29)	1734.43
Cash Generated from Operations	55.21	1413.09
Less : Taxes Paid	(0.48)	(13.74)
Net Cash Generated from Operating Activities (A)	55.69	1426.83
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	96.24	7083.23
Capital WIP	(7.93)	(4780.94)
Sale of Fixed Assets	(80.98)	(114.03)
Net Cash Used in Investing Activities (B)	7.33	2188.26
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Equity Share Capital	500.00	
Proceeds from /(Repayment) of short term borrowing (Net)	385.09	(196.15)
Proceeds from long term borrowing	3540.00	2580.24
Repayment of long term borrowing	(483.87)	(708.67)
Proceeds from Unsecured loan	-	1531.77
Repayment of Unsecured loan	(2531.77)	-
Repayment of Preference Shares	-	(50.00)
Interest Paid	(1500.93)	(2380.92)
Dividend Paid	-	(1.28)
Dividend Tax	-	(0.22)
Net Cash From Financing Activities (C)	(91.48)	774.77
(D) Net Increase / Decrease in Cash & Cash Equivalent (A-B+C)	(43.12)	13.34
Closing Balance of Cash & Cash Equivalent	9.93	53.05
Opening Balance of Cash & Cash Equivalent	53.05	39.71

In terms of our report of even date

For and on behalf of the Board

For R.S. DANI & CO.
Chartered Accountants

R.L. NOLKHA
Chairman & Managing Director

Y.R. SHAH
Director

ASHOK MANGAL
Partner
M.No.71714

DINESH NOLKHA
Managing Director

BHAGWAN RAM
Director

NITIN NOLKHA
Executive Director

Dr. S. S. BANERJEE
Nominee Director

Place : Bhilwara
Date : 8th May, 2010

P. MAHESHWARI
Chief Financial Officer

SUDHIR GARG
Company Secretary
& DGM (Legal)



NITIN SPINNERS LIMITED

Registered Office : 16-17 Km Stone Chittor Road
Hamirgarh, Bhilwara – 311025 (Rajasthan)

PROXY FORM

Full Name of the Shareholder in Block :

DP Id
Client Id

Ledger Folio No.

No. of Shares held :

I/We of in the District of being a Member/Members of the above named Company, hereby appoint of or in the district of or failing him of in the district of as my/our proxy to vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Saturday, the 25th September, 2010 at 3.00 P.M and any adjournment thereof.

Signature _____

Affix
Revenue
Stamp

Signed on this day of 2010

Note : The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the Meeting



NITIN SPINNERS LIMITED

Registered Office : 16-17 Km Stone Chittor Road
Hamirgarh, Bhilwara – 311025 (Rajasthan)

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the Meeting Hall.

Full Name & Address of the Shareholder/Proxyholder :

DP Id
Client Id

Ledger Folio No.

No. of Shares held :

I hereby record my presence at the 18th Annual General Meeting of the Company held on 25th September, 2010 at 3.00 P.M at the Registered Office of the Company at 16-17 Km. Stone, Chittor Road, Hamirgarh, Bhilwara

Signature of Shareholder

Note : Only Shareholders of the Company or their proxies will be allowed to attend the Meeting.